



**Schools Forum**

**Wednesday, 8 November 2017 4.00 p.m.  
Council Chamber, Runcorn Town Hall**

A handwritten signature in black ink, appearing to read 'David W R', written over a light grey rectangular background.

**Chief Executive**

**COMMITTEE MEMBERSHIP**

*Please contact Ann Jones - Tel: 0151 511 8276 or email:  
ann.jones@halton.gov.uk for further information.  
The next meeting of the Committee is on Wednesday, 17 January 2018*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

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***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**REPORT TO:** Schools Forum

**DATE:** 8 November 2017

**REPORTING OFFICER:** Senior Finance Officer, Financial Management Division

**SUBJECT:** High Needs Block Funding for 2018-19

1.0 **PURPOSE OF REPORT**

1.1 **To report to the School Forum on the proposal to transfer funds from the Schools Block to the High Needs Block for 2018-19.**

2.0 **RECOMMENDATION: That**

- 1) the report be noted; and
- 2) Schools Forum makes a decision on whether or not to transfer 0.5% of the December 2017 Schools Block allocation of Dedicated Schools Grant to the High Needs Block for 2018-19.

3.0 **SUPPORTING INFORMATION**

**Background**

From April 2018 the Dedicated Schools Grant will be split into four blocks – Schools Block, Central Schools Services Block, High Needs Block and Early Years Block.

The Schools Block supports mainstream primary and secondary schools and academies and funding is distributed via a funding formula for pupils in year Reception to year 11.

The Central Schools Services Block supports central functions on behalf of pupils in state-funded maintained schools and academies.

The High Needs Block supports provision for children with Special Educational Needs and Disabilities for age 0-25, including central services.

The Early Years Block supports provision for children aged 2 to 4.

Since the introduction of the revised funding formula in April 2013. Local authorities have been allowed to move funds between the blocks of DSG freely. From April 2018 the Schools Block element is ring-fenced and must be fully distributed via the funding formula. However, the Education and Skills Funding Agency (ESFA) will allow authorities to transfer up to 0.5% of the Schools Block allocation to the High Needs Block to ease the budget pressures on

the High Needs Block.

### **Consultation**

In order to make such a transfer, local authorities are required to consult with schools and have specific information that we are required to include within the consultation. The consultation document is attached at Appendix A.

Out of a total 57 primary and secondary schools and academies in Halton, we had 21 respondents to this consultation (25 including four schools funded wholly from the High Needs Block).

The responses and comments can be found at Appendix B.

Question 1: Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2018-19?

Yes: 14      No: 7

Question 2: Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2018-19, on the understanding that all top-up funding levels would have to be reduced to keep within the High Needs Block budget?

Yes: 10      No: 10

### **Conclusion**

The majority of respondents to the consultation – 14 - wished the transfer of funds to go ahead for the 2018-19 financial year, to be taken from the Basic Per Pupil funding factor. However 10 respondents indicated they did not want the transfer and accepted a reduction in top-up funding levels would be needed.

The indicative Schools Block allocation is £83,008,079 and the October 2016 primary and secondary mainstream population was 17,791 (including pupils in Resource Bases). This would give a reduction of £23.33 per pupil but it should be noted that the allocation and mainstream population are likely to change for the October 2017 allocation.

At £23.33 per pupil, a school with 100 pupils this would be a reduction of £2,333, a school with 500 pupils would see a reduction of £11,665, a school with 1,000 pupils would see a reduction of £23,330 and a school with 1,500 pupils would see a reduction of £34,995.

A review of High Needs costs is underway and discussions will be dependent upon the decision taken by Schools Forum. A transfer of £415,040 is insufficient to plug the gap between the funding we are

likely to be allocated and the expected costs for next year. It is possible that some top-up funding levels may need to be reduced to help keep the overall High Needs costs within budget. We are currently forecast top-up funding spend for 2017-18 in the region of £6.5million. To bring the High Needs costs to within the grant allocation for 2018-19 we need a reduction in the region of £1.5million or 23% of the expected top-up funding spend.

We will consider all aspects of the High Needs budget but must ensure that the budgets we set are sufficient to meet estimated costs and not to simply match the grant allocation.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None

**Proposal to transfer funds from Schools Block to High Needs Block for 2018-19**Background

Since the introduction of the notional DSG funding blocks in April 2013, local authorities have been allowed to move funds freely between the blocks with the approval of their local Schools Forum. The main movement has been from the Schools Block, which is the main source of funding for Primary and Secondary schools, to the High Needs block. The High Needs Block supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. High Needs funding is also intended to support alternative provision for pre-16 pupils who cannot receive education in schools.

The situation over the past few years is:

	2014-15	2015-16	2016-17	2017-18 forecast
Central HN spend	£6,019,217	£6,459,666	£6,240,520	£7,190,320
School budgets	<u>£9,340,138</u>	<u>£9,930,166</u>	<u>£9,403,710</u>	<u>£9,621,105</u>
Total expenditure	£15,359,355	£16,389,832	£15,644,230	£16,811,425
HN funding received	<u>£13,886,574</u>	<u>£13,268,052</u>	<u>£13,235,000</u>	<u>£14,055,751</u>
<b>Overspend</b>	<b>£1,472,781</b>	<b>£3,121,780</b>	<b>£2,409,230</b>	<b>£2,755,674</b>
<b>% overspend</b>	<b>10.6%</b>	<b>23.5%</b>	<b>18.2%</b>	<b>19.6%</b>

How have we funded this overspend – at the start of each year we have an estimate of what the overspend on High Needs will be so we move money from the Schools Block accordingly. At the end of the year, the additional overspend is met from reserves.

Schools Block funding (excluding central schools services block)

	2014-15	2015-16	2016-17	2017-18 forecast
Grant allocation	£80,375,048	£83,284,930	£81,826,997	£82,321,802
To schools/academies	£78,972,132	£81,096,572	£80,942,662	£81,819,524
Difference	£1,402,916	£2,188,358	£884,335	£502,278

It should also be remembered that the Schools Block has also been needed to cover expected overspends in the Early Years block although this has now stopped and the Early Years block grant is covering the Early Years spend each year.

During both 2016-17 and 2017-18 we have been required to provide baseline funding to the Education Funding Agency for the four blocks of DSG funding, as the notional block amounts were not based on historic spend.

With the introduction of the National Funding Formula from April 2018 there are new regulations restricting the movement of funding from the Schools Block. We are allowed to move up to 0.5% of the Schools Block funding to the High Needs Block following consultation with schools and the approval of Schools Forum. If we wish to move more than 0.5% we must then get approval from the Secretary of State.

For 2018-19 based on the indicative Schools Block allocation of £83,008,079, the 0.5% figure that can be approved by Schools Forum is just £415,040.

Even after the movement of 0.5% we are forecasting the High Needs block to have a funding shortfall of £1.25m. We are looking at options to reduce the funding gap for 2018-19.

Budget Pressures

The numbers of pupils who receive funding from the High Needs Block has increased by 5.8% from 996 in 2014-15 to 1,054 in 2016-17. So far in 2017-18 we are funding 984 pupils from the High Needs Block and we know that number will increase during the Autumn and Spring Terms.

Due to the increase in pupil numbers and their complexity of needs, the cost of supporting their needs has increased. In the detail below, the total pupil numbers is the total of individual pupils who have at any time during the year been receiving the particular type of provision. Therefore the number of individuals can be higher than the number of places due to pupils coming into places and pupils leaving. Below are key areas of High Needs expenditure:

Special Schools including Special Academies in Halton

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	318	343	359	378
Total cost	£5,429,473	£5,579,254	£5,318,730	£5,540,440
Average top-up per pupil	£10,690.17	£10,347.68	£9,160.81	£9,154.60

Special schools are funded at £10,000 per commissioned place plus top-up funding which is pupil specific. While pupil numbers have increased, we reviewed the funding level criteria during 2015-16 with the special school Head Teachers and introduced a process whereby for a pupil to be funded at anything other than the lowest level of top-up, evidence of need has to be submitted to the SEN Team to be considered against the funding criteria. This is why the average top-up per pupil has reduced during 2016-17. The average top-up for 2017-18 is very slightly down again, but whether this remains for the full year is unknown.

Independent and Non-Maintained Special Schools

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	85	81	87	83
Total cost	£2,351,182	£2,444,335	£2,687,275	£2,835,088
Average cost per pupil	£27,660.96	£30,176.98	£30,888.22	£28,736.00

Requests for placements in INMSS are scrutinised before the provision begins to check if there is any available alternatives to an INMSS. The type of provision and the costs of different INMSS' is explored with a view to finding the most cost efficient appropriate provision which can meet the needs of the pupils. The use of an INMSS is the last resort as one placement for a full year can cost almost £80,000 (as at 2016-17 prices). Where a placement is made jointly with health and social care, we always identify and separate the health and social care elements so only the education element is charged to the High Needs Block. However, the INMSS providers in the North West region are aware that there is more demand than places so Halton is putting in place plans to enter into negotiations with providers before we actually need to procure a place, in order to ensure we are getting best value. We are also tightening up on attendance monitoring and outcomes.

Top-up support in Mainstream schools

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	363	396	373	414
Total cost	£1,683,105	£1,950,497	£1,843,016	£1,843,014
Average cost per pupil	£4,636.65	£4,925.50	£4,941.06	£4,451.72
Total hours supported	97,741.3	113,269.3	107,027.6	107,011.4

Top-up funding is provided to schools for named pupils who require additional support and is approved following submission of evidence to panel. The funding can be through Schools Action plus, a Statement or an EHCP. They are all funded at the same rate and schools are required to fund the first £6,000 of costs for each child.

A top-up funding review is underway and will be completed by the start of 2018-19 although we are not expecting to see the full impact of the review until the following financial year.

#### Resource Bases

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	125	117	126	136
Number of fte places	130	130	124	118
Total cost	£1,621,419	£1,615,405	£1,343,018	£1,492,820
Average top-up per pupil	£2,571.35	£2,695.77	£2,404.90	£3,770.74

The Education Funding Agency is changing the way in which resource bases are funded from April 2018 as the £10,000 per commissioned place transfers from the High Needs block to the Schools block of the Dedicated Schools Grant. The change should have no impact upon the schools but we have not yet been able to do the calculations to confirm this. We have seen the two Hearing Impaired resource bases close over the last few years and the funding has been used to support the central services aligned with those resource bases and support for the former resource base children to remain at the school until they leave the school.

#### PRU

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	82	62	75	70
Number of places	60	60	60	60
Total cost	£1,055,283	£1,284,823	£1,346,346	£1,489,760
Average top-up per pupil	£7,015.65	£11,851.98	£9,951.28	not available yet

The PRU is funded at £10,000 per commissioned place plus top-up funding which is pupil specific. When the top-up funding levels for the PRU were set the occupancy levels were about 70% so the funding reflected this, now however, the PRU is operating at capacity. Earlier this year we put out a request to other North West authorities to find out their PRU top-up funding rates and from that have started a review of the funding levels which will be completed by April 2018. The regulations require local authorities to recover funding from schools and academies who permanently exclude pupils, and this covers all pupil-led funding factors within the funding formula plus the Pupil Premium Grant for which the pupil may be eligible.

#### Inter Authority Recoupment Expenditure

	2014-15	2015-16	2016-17	2017-18 to date
Total pupil numbers	23	31	34	25
Total cost	£113,606.51	£238,481.64	£294,935.11	£211,925.00
Average cost per pupil	£4,939.41	£7,692.96	£8,674.56	£8,477.00

The costs of inter authority High Needs placements have increased considerably as the number of children needing such placements have increased. We are not required to pay the per place funding as the places should have been commissioned by the relevant local authority. Therefore we only have to pay the top-up amounts. However, where schools have taken in pupils over the number of commissioned places, we must negotiate with the provider to decide on whether a per-place payment (and the amount) should be made.

## Central DSG funded posts

	2014-15	2015-16	2016-17	2017-18 to date
Number of posts	16.0 fte	17.5 fte	17.0 fte	18.4 fte
Total cost	£922,975	£897,196	£898,563	£1,136,825

The above figures include the posts funded by the former ESG grant in 2017-18 but excludes vacancies.

## The way forward:

In Halton we are commissioning an all age review of support for Children and Young People with SEN. One of the aims of this review is to ensure that pupils have access to the right sort of support to better suit their needs. The review will be funded from the High Needs Strategic Planning Grant.

As part of the Liverpool City Region we are also contributing towards the review of sufficiency and provision across SEND. We have also undertaken a detailed review of support for pupils with SEMH and we are in the process of reconfiguring our provision in Halton to better meet the needs of those pupils. We have already reviewed our special school allocations in 15/16 and the changes came in during 16/17. By doing so we managed to save £0.25m. However with the changes in funding the Schools and High Needs budgets from April 2018 further reductions may be required.

We also looked at the allocation of our enhanced provision and by April 2018 we will have finalised this review. The new arrangements for enhanced provision came into place in September 2017. By the end of September 2017 we will have launched our Protocol for Pupils with SEMH (including pupils with persistently challenging behaviour). Many of these pupils currently progress to exclusion. We are now also underway with work to review top-up funding levels at the PRU which will be completed by April 2018.

We have also reviewed the high needs allocation for 2017/18 to Riverside College which is our main post 16 provider. We are currently working collaboratively with the Liverpool City Region and with our Health and Community and Social Care colleagues. We have a partnership meeting that has membership from all the key partners and we actively review our expenditure and help people to understand the implications of our expenditure on SEND. We previously held a pot of money to recognise the costs to those schools that are inclusive and through their reputation take a higher percentage than other schools with SEND and therefore experience budget pressures due to the demand on their notational SEN budget. At School Forum the decision was made to cease this support as it was no longer affordable.

Approval by School Forum to permit 0.5% of the schools budget to supplement the costs of the High Needs Budget will still leave an estimated gap of £1.25 million. This funding can only be found by reducing expenditure across High Needs from April 2018. It is proposed that this gap in funding is found by making the following savings:

- Reduce the budget for enhanced provision;
- Reduce top up funding levels from early years through to post-16;
- Review and reduce top up levels in special schools;
- Review and reduce top up levels in PRU;
- Reduce the number of children and young people placed out of borough
- Negotiate better rates for children placed out of borough
- Work with schools to provide funding to support pupils locally instead of placing out of borough

What are we asking for:

We are allowed to consult with schools and ask Schools Forum for approval to move up to 0.5% of Schools Block funding to the High Needs Block as previously mentioned. To move 0.5% - roughly £415,000 – using the October 2016 census data, would be a reduction to schools of £23.48 per pupil. We cannot take the funding from any other funding factor, as per the guidance. The actual cash value for 2018-19 will only be known once the census data for October 2017 is received along with the December update of our funding allocation.

However, we understand that by doing this we are taking funding from all schools to support those who receive High Needs top-up funding. Therefore we are looking at other options, such as not asking for a transfer of funding from Schools Block to High Needs block as long as schools accept that by doing this we will have to make even further reductions to the funding we use to support pupils in schools with high needs.

What we cannot do is not transfer funding from the Schools Block to the High Needs Block and continue to pay top-up funding at the current levels.

**Consultation Questions:**

**Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2018-19?**

Yes / No

**Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2018-19 on the understanding that all top-up funding levels would have to be reduced to keep the High Needs Block within budget?**

Yes / No

**If you do not agree to the transfer of funds or the reduction of top-up funding levels, how else do you suggest that we fill the funding gap that we have for High Needs?**

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Deadline for responses:

Please respond to [Anne.Jones@halton.gov.uk](mailto:Anne.Jones@halton.gov.uk) no later than 5.00pm **on Friday 20<sup>th</sup> October 2017** to ensure your feedback can be included in the report to Schools Forum in November.

High Needs consultation responses – October 2017

**Appendix B**

Q1. Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2018-19?

<p>Yes</p> <p>Runcorn All Saints Primary          Saints Peter &amp; Paul High          Woodside Primary          All Saints Upton Primary          St Bedes Juniors          St Bedes Infants          St Basils Primary          Hale Primary          Moore Primary          Hallwood Park Primary          St Edwards Primary          Farnworth Primary          St Clements Primary          Simms Cross Primary</p>	<p>No</p> <p>Hill View Primary          Halton Lodge Primary          Victoria Road Primary          St Michaels Primary          Ditton Primary          Halebank          Windmill Hill Primary</p>
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A further four yes responses were received from schools who are fully funded from the High Needs block (The Bridge PRU, Brookfields, Chesnut Lodge and The Cavendish High).

Q2. Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2018-19, on the understanding that all top-up funding levels would have to be reduced to keep the High Needs Block within budget?

<p>Yes</p> <p>Runcorn All Saints Primary          Hill View Primary          Victoria Road Primary          St Michaels Primary          Ditton Primary          Halebank Primary          Windmill Hill Primary          Hale Primary          Moore Primary          St Edwards Primary</p>	<p>No</p> <p>Saints Peter &amp; Paul High          Halton Lodge Primary          Woodside Primary          All Saints Upton Primary          St Bedes Juniors          St Basils Primary          Hallwood Park Primary          Farnworth Primary          St Clements Primary          Simms Cross Primary</p>
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Comments received:

- a) Not all top-up levels reduced: evaluate which are most appropriate according to outcomes and transitional needs.
- b) Individual schools to be responsible for the High Needs through the School Budget
- c) When the NFF is implemented a sustainable plan needs to be put in place to avoid a cliff edge on these vital services  
 In order to address the funding gap it is important to make difficult yet essential decisions. We agree with “the way forward” outlined above however, have some concerns about the impact and speed of transition  
 Care needs to be taken to ensure that the students with high needs continue to receive appropriate support suited to their circumstances  
 The bullet points
  - \* Reduce the number of children and young people placed out of borough
  - \* Negotiate better rates for children placed out of borough
 These should be pursued to their maximum potential.  
 In addition, the centrally funded DSG posts need further explanation in the light of

significantly increased expenditure this year.

Another area for consideration should be to review the contracts of Learning Support Assistants who are employed in connection with statements of special educational needs. If the LA supported schools across the borough to address the disparity between these contracts and other associate staff who work term time only, this would counteract budget reductions connected with mainstream top up funding. Reducing any aspect of high need funding is going to be difficult and painful but support on reducing the costs to the schools would mitigate this risk.

In the introduction, LA reserves are referred to as “very little”. However, it is our view that these reserves may be required to smooth the transition due to the time restrictions facing High Needs block funding pressures. Further details would be welcomed at School Forum so that school representatives can make informed decisions.

- d) £415,000 will not guarantee the success of this service. Efficiencies could be made within the current system – as it is currently not fit for purpose (and does not compare to what SEN support is available to support schools in neighbouring authorities). Any successful bids to the £600 million pot of money – available to local authorities – could yield more money than this transfer of money would result in. A full review needs to identify what the greatest needs of Halton’s schools are and provide the necessary support to enable schools to cope with and support these pupils. It needs a fresh start (and not to keep going with the current system).
- e) Unfortunately I have no answer to this other than lobbying government. We are one of the lowest performing authorities with high levels of deprivation and SEN yet we are suggesting cutting enhanced provision and provision in special schools. Why does it cost us so much to send children to Independent Special Schools out-of-borough? Are schools profiteering on the back of Halton’s disadvantageous position? There is a real issue with schools struggling to cope with primary age children in mainstream and no specialist provision beyond 2x7 place units which are always full. Halton are then reluctant to send them elsewhere as it costs up to 80k a year.
- f) If we keep resources in the main Budget this would benefit all pupils and not just High Needs. As the majority of our pupils are SEN
- g) For us the adjustment would be about the same for both proposals as we have small numbers of pupils and very low amounts of top up funding.

**REPORT TO:** Schools Forum

**DATE:** 8 November 2017

**REPORTING OFFICER:** Senior Finance Officer, Financial Management Division

**SUBJECT:** Schools Block Funding Formula for 2018-19

**1.0 PURPOSE OF REPORT**

**1.1 To report to the Schools Forum on the Schools Block Funding Formula for 2018-19**

**2.0 RECOMMENDATION: That**

- 1) The report be noted;**
- 2) Schools Forum indicate their preference for the mainstream primary and secondary funding formula for 2018-19; and**
- 3) A decision is made regarding the funding of the Premature Retirement budget.**

**3.0 SUPPORTING INFORMATION**

**Background**

The Schools Block of the Dedicated Schools Grant is to fund pupils in mainstream primary and secondary schools. From April 2018 it is ring-fenced and must be fully devolved to schools via a funding formula.

Other changes relating to the Schools Block are:

- Freedom to use both the Free School Meals indicator and the Free School Meals Ever 6 indicator as criteria for the Deprivation funding factor, as well as the Income Deprivation Affecting Children Index.
- Deletion of the Looked After Children funding factor (although it could still be used if we chose to continue with our current formula or use an interim formula).
- Pupils in Resource Bases will be funded from Schools Block in exactly the same way as other pupils in the school, with an additional £6,000 Element 2 funding plus top-up funding from the High Needs block. Vacant places will continue to be funded at £10,000 per place.
- A minimum per pupil amount funding level of £3,300 for primary pupils, £4,600 for secondary pupils and £3,842 for pupils in an all-through school for 2018-19.
- The Minimum Funding Guarantee level can be set anywhere between minus 1.5% and plus 0.5%.

### **Impact of the High Needs transfer (if agreed)**

As per the High Needs report, the consultation was regarding the transfer of 0.5% of funding from Schools Block to High Needs Block. The indicative allocations based on the October 2016 census data show this figure to be £415,040 but this will change when the October 2017 census data and final grant allocations are released in December. If this is approved by Schools Forum then the transfer will take place BEFORE the funding formula is calculated.

### **Impact of the former Education Services Grant de-delegation**

As has been previously reported, a sub-group of Schools Forum met in September to consider the funding of central services previously funded by the ESG. The services agreed and amounts per pupil (as at October 2016 census data) are as follows:

Financial Management Division	£2.98 per pupil
Capital works	£3.27 per pupil
Health & Safety services	£8.83 per pupil
Dismissals (de-delegated 2017-18)	£9.85 per pupil

It should be noted that these amounts are subject to change when the October census data is released with updated pupil numbers. These amounts apply to primary, secondary, special and PRU schools at the same rate.

### **Premature Retirement costs**

The Premature Retirement budget was previously funded by the ESG. For 2017-18 the budget was set at £498,000 and it is thought the budget requirement will continue to decrease slightly each year.

To fully fund this budget from schools de-delegated budgets would be £38.70 per pupil however we believe we are able to fund in the region of £230,000 from other sources which would reduce the per pupil amount to £20.77.

A decision is required as to whether this can be de-delegated from schools for 2018-19, subject to final pupil numbers based on the October 2017 census data. This amount would be applied to primary, secondary, special and PRU schools at the same rate.

### **Consultation**

Local authorities are required to consult with maintained schools and academies as well as with Schools Forum about any proposed changes to the local funding formula including the method, principles and rules adopted.

The consultation document is attached at Appendix A.



4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None

## Consultation on the Schools Block funding formula for 2018-19

### Introduction

As you will be aware the Department for Education is introducing a National Funding Formula for primary and secondary schools from April 2018. For the first two years local authorities have the ability to use a different formula, either the current formula or an interim formula if it is felt that such a formula would help to ease their schools from the current funding formula to the NFF.

We are required to consult with all maintained schools and academies within the borough as well as with Schools Forum regarding any proposed changes to the local funding formula including the method, principles and rules adopted. The final decision on the local funding formula for 2018-19 no longer rests with Schools Forum as it has in previous years, but with the local authority. As we have very little left in reserves, we can only use the grant allocated to us for 2018-19 for the formula.

In the most simplistic form, we are asking schools to let us know what funding formula you want us to use for 2018-19.

- Do we keep to the current funding formula as used in 2017-18 (but with cash values adjusted as normal once the October census data has been received and the grant allocation updated in December).
- Do we go straight to the NFF with the transitional protection for 2018-19 – we cannot go to the full NFF without transitional protection as the figures we have received so far indicate that we would not receive sufficient funding to afford this.
- Do we look to an interim funding formula to ease the transition, which would lower the level of funding reductions to schools losing funding, but this could only be funded by not supporting the higher levels of increases in funding to schools receiving more funding.

Thankfully in Halton it does seem that the majority of schools should be receiving more funding under the NFF than seeing reductions.

### Individual funding factors explained

#### Basic Per Pupil

This is based on the number of pupils within each school on the October 2017 census. There is a primary rate, a Key stage 3 rate and a Key stage 4 rate.

	<u>Current formula</u>	<u>NFF</u>
Primary	£2,531.85	£2,746.99
The primary level cannot be less than £2,000.		
Key stage 3	£4,228.25	£3,862.65
Key stage 4	£4,425.32	£4,385.81
The secondary level cannot be less than £3,000.		

#### Deprivation

We must use this factor but can decide which criteria. We are currently restricted to either current Free School Meals eligibility or Free School Meals Ever 6 eligibility but from 2018-19 we can use both and both are used for the NFF. We are also able to use the Income Deprivation Affecting Children Index (IDACI) which uses pupil's home postcodes. The postcodes are split into seven bands – A to G and we are allowed to fund bands A to F only. We currently use a mix of FSM6 and IDACI.

	<u>Current formula</u>	<u>NFF</u>
Primary FSM	not used	£440.00
Secondary FSM	not used	£440.00
Primary FSM6	£722.36	£540.00

Secondary FSM6	£1,333.19	£785.00
Primary IDACI band G	not funded	not funded
F	£144.78	£200.00
E	£217.16	£240.00
D	£289.55	£360.00
C	£361.94	£390.00
B	£434.33	£420.00
A	£506.71	£575.00
Secondary IDACI	G not funded	not funded
F	£113.93	£290.00
E	£170.89	£390.00
D	£227.85	£515.00
C	£284.82	£560.00
B	£341.78	£600.00
A	£398.75	£810.00

### Low Prior Attainment

The prior attainment factors act as proxy indicators for low level, high incidence, special educational needs.

Primary – based on the Early Years Foundation Stage Profile which is a mix of Years 1 to 4 rated under the new EYFSP and Years 5 and 6 rated under the old EYFSP not achieving 73 points with the total proportion for Years 1 to 6 applied to Reception pupils to give a whole school figure.

Secondary – based on the number of pupils not achieving the expected level at KS2 in one or more of reading, writing or mathematics. The proportion of pupils funded through this factor is a mix of the old and new requirements with weighting applied to the new requirements.

	<u>Current formula</u>	<u>NFF</u>
Primary	£664.12	£1,050.00
Secondary	£1,138.20	£1,550.00

### English as an Additional Language

For pupils recorded on the October 2017 census as having entered state education in England during the last three years and having a mother tongue other than English.

	<u>Current formula</u>	<u>NFF</u>
Primary	£886.48	£515.00
Secondary	£886.48	£1,385.00

### Looked After Children

We currently fund LAC through the funding formula and funding is also available through the Pupil Premium Plus Grant via the Virtual School Head Teacher. Under the NFF there is no LAC factor as the DfE feel the funding should be through the PP Plus grant. The PP Plus grant is being increased from £1,900.00 per pupil to £2,300.00 per pupil. As we will no longer receive funding for this factor from April 2018 we are recommending that this factor is no longer used. If we continue to use it we will have to take the funding from another factor. For 2017-18 we allocated £250k+ through this factor.

	<u>Current formula</u>	<u>NFF</u>
Primary	£1,502.08	not available
Secondary	£1,502.08	not available

### Lump Sum

A lump sum payable to each school, currently paid at different levels for primary and secondary phases but will be paid at a single level under the NFF.

	<u>Current formula</u>	<u>NFF</u>
Primary	£128,274.30	£110,000.00

Secondary      £149,064.30      £110,000.00

## Pupil Mobility

This is where a pupil entered a school during the last three academic years, but did not start at the beginning of the Autumn Term (or January for Reception pupils). There is a 10% threshold and funding is only payable where the proportion of pupils entering a school exceeds 10%.

	<u>Current formula</u>	<u>NFF</u>
Primary	not used	no value given
Secondary	not used	no value given

## Sparsity

To be eligible for this funding, schools must

- a) be located in areas where pupils would have to travel a significant distance to an alternative school should the school close and
- b) be a small school.

No schools in Halton meet these criteria.

## Split sites

This factor is to support schools have unavoidable extra costs because the school buildings are on separate sites. No schools in Halton qualify for split site funding at the present time.

## LA Rates

Local authorities must fund rates at an estimate of the actual cost and can make adjustments to the rates funding during the year, outside of the funding formula. The effect on a school of LA Rates funding is zero as the funding would equate to that year's charge. LA Rates funding is specific to each school so is not listed here.

## Private Finance Initiatives

This factor supports schools with unavoidable extra premises costs because they are a PFI school and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority. Only one school qualifies for this funding, at £190.58 per pupil for 2017-18. The NFF will apply an uplift in line with RPIX growth from April 2016 to April 2017 at 3.8%.

## London Fringe

This is not applicable to Halton.

## Exceptional Premises Factor

We are allowed to apply to the ESFA to use exceptional premises factors for joint-use sports facilities. They can only be applied where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the borough. In Halton we have one school funded at £135,000. We can use applications submitted for 2017-18 for 2018-19 if the qualification criteria are still met.

## Minimum per pupil funding

The ESFA have set minimum per pupil funding levels for 2018-19 at £3,300 for primary schools and £4,600 for secondary schools. These levels are due to increase in 2019-20 to the full amounts of £3,500 for primary schools and £4,800 for secondary schools with pupils in years 10 and 11.

When we look at any capping or scaling of increases, these cannot take a school below the minimum value set in the local formula.

The minimum per pupil funding is calculated by adding together the pupil-led funding and school-led funding then dividing by the number of pupils. It isn't just the Basic Per Pupil factor.

## Per pupil increase (Funding Floor)

The Secretary of State confirmed in July that the NFF will provide for at least a 0.5% per-pupil increase in respect of each school in 2018 to 2019.

To calculate this we use the 2017-18 baseline per pupil figure (similar to the minimum per pupil funding calculation above) and compare it to the 2018-19 per pupil figure AFTER the minimum per pupil calculation has been applied. If the difference is less than 0.5% then the funding floor is applied to ensure it reaches 0.5%.

## Minimum Funding Guarantee (MFG) / Gains cap

The MFG has been applied since the introduction of the revised funding formula in 2013-14 and has been set at minus 1.5% for the past few years. It is to ensure that a school's budget cannot fall by more than 1.5% for anything other than a reduction in pupil numbers. For 2018-19 local authorities have the flexibility to set their MFG between 0% and minus 1.5%.

We have also been allowed to set capping or scaling of increases to ensure the affordability of such. The total of any capping or scaling cannot exceed the total MFG. A cap sets a maximum on the amount of any increase a school can receive while a scale reduces all increases by the same percentage.

In recent years we have had to apply capping and scaling to ensure school budgets equal the funding available. To merely reduce the value of a funding factor in the hope of reducing the overall budget total doesn't work due to the impact of the MFG.

For 2018-19 it is impossible to say at this point in time what level of MFG, capping or scaling will give the best fit for school budgets within the funding we are given. We are asking that Schools Forum are allowed to agree these levels at the January meeting, when we will have indicative budgets calculated for all primary and secondary schools.

## What happens next?

The deadline for this consultation is Friday 20<sup>th</sup> October 2017. We acknowledge it is short, but the school level data for the NFF was only released by the Education & Skills Funding Agency on Thursday 4<sup>th</sup> October. As we have only had one week to prepare the consultation we have not yet been able to speak to representatives to find out what funding factors you would want including on a funding formula, which is why we are asking you to state your preferences now. We can then model an interim funding formula and share this with you. However, Appendix A gives the total Schools Block funding for each school using the October 2016 census data with the NFF transitional values and the current funding formula.

The funding formula decision needs to be made at Executive Board on Thursday 16<sup>th</sup> November 2017 so that if we need to submit a disapplication request we can do so by the deadline of 30<sup>th</sup> November 2017. An extra Schools Forum has been set for Wednesday 8<sup>th</sup> November 2017 to discuss the formula and responses from this consultation and the High Needs transfer consultation. The reports for both meetings need to be submitted by Friday 27<sup>th</sup> October which is the last school day of half term. To allow time for the responses to be analysed and the reports written, the consultation responses need to be sent to me no later than 5pm on Friday 20<sup>th</sup> October.

## Timescales

Mid-December will see the release of the October census data and the Schools Block allocation (usually one week before Christmas).

Formula calculations completed for Schools Forum on 17<sup>th</sup> January 2018

Submission of Halton's funding formula for 2018-19 to the ESFA by 19<sup>th</sup> January 2018

The funding formula will be reviewed and checked by the ESFA to ensure compliance with the regulations and we will be notified by 28<sup>th</sup> February 2018 if it is accepted.

We are required to notify maintained primary and secondary schools of their Schools Block allocations by 28<sup>th</sup> February 2018.

The ESFA will notify academies of their allocations during February and March 2018.

**Questions**

1. *Do we move to the NFF with transitional protection in place for 2018-19, subject to receipt of sufficient funding to do so?*  
Yes / No
2. *Do we remain on the current funding formula for 2018-19, subject to variations in cash values which will not be known until the October census data is released along with the December updated grant allocations? (which is what currently happens)*  
Yes / No
3. *If we continue with the current funding formula for 2018-19, do we exclude the LAC factor?*  
Yes / No
4. *If you wish to continue with the LAC funding factor, do you agree we take the funding from the Basic per pupil factor to fund?*  
Yes / No – If no, please state which factor should be reduced \_\_\_\_\_
5. *Do we look to an interim funding formula to get to a mid-ground for the majority of Halton schools and academies, bearing in mind that until the census and updated grant allocations are released we won't know what is possible?*  
Yes / No
6. *If you want an interim funding formula, which factors would you want to be included: What criteria do you want to use for deprivation – please pick one option*  
FSM, FSM6 and IDACI  
FSM6 and IDACI (as current)  
FSM and IDACI  
FSM only  
FSM6 only  
IDACI only
7. *Do you want to include the Prior Attainment factor?*  
Yes / No
8. *Do you want to include the EAL factor?*  
Yes / No
9. *Do you want to include the Mobility factor? (not used at the moment)*  
Yes / No
10. *Do you want to include the Lump Sum factor?*  
Yes / No
11. *Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee and any capping or scaling at the January meeting?*  
Yes / No

Deadline for responses:

Please respond to [Anne.Jones@halton.gov.uk](mailto:Anne.Jones@halton.gov.uk) no later than 5.00pm on Friday 20<sup>th</sup> October 2017 to ensure your feedback can be included in the report to Schools Forum and Executive Board in November.

Q1. Do we move to the NFF with transitional protection in place for 2018-19, subject to receipt of sufficient funding to do so?

Yes	<ul style="list-style-type: none"> <li>St Marys Primary</li> <li>Runcorn All Saints Primary</li> <li>Hill View Primary</li> <li>Saints Peter &amp; Paul High</li> <li>OLPS Primary</li> <li>Halton Lodge Primary</li> <li>Victoria Road Primary</li> <li>The Holy Spirit Primary</li> <li>Woodside Primary</li> <li>Pewithall Primary</li> <li>All Saints Upton Primary</li> <li>St Bedes Infants</li> <li>Daresbury Primary</li> <li>St Bedes Juniors</li> <li>St Basils Primary</li> <li>St Michaels Primary</li> <li>Ditton Primary</li> <li>Halebank Primary</li> <li>Hale Primary</li> <li>Moore Primary</li> <li>Hallwood Park Primary</li> <li>St Edwards Primary</li> <li>Farnworth Primary</li> <li>St Clements Primary</li> <li>Simms Cross Primary</li> </ul>	No	<ul style="list-style-type: none"> <li>St Gerards Primary</li> <li>Windmill Hill Primary</li> <li>St John Fisher Primary</li> </ul>
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A further yes response was received from The Bridge PRU who is fully funded from the High Needs block.

Q2. Do we remain on the current funding formula for 2018-19?

Yes	<ul style="list-style-type: none"> <li>St Gerards Primary</li> <li>The Holy Spirit Primary</li> <li>Windmill Hill Primary</li> <li>St John Fisher Primary</li> <li>Hale Primary</li> <li>St Edwards Primary</li> </ul>	No	<ul style="list-style-type: none"> <li>Runcorn All Saints Primary</li> <li>Hill View Primary</li> <li>Saints Peter &amp; Paul High</li> <li>OLPS Primary</li> <li>Halton Lodge Primary</li> <li>Victoria Road Primary</li> <li>Woodside Primary</li> <li>Pewithall Primary</li> <li>All Saints Upton Primary</li> <li>St Bedes Infants</li> <li>Daresbury Primary</li> <li>St Bedes Juniors</li> <li>St Basils Primary</li> <li>St Michaels Primary</li> <li>Ditton Primary</li> <li>Halebank Primary</li> <li>Moore Primary</li> <li>Hallwood Park Primary</li> <li>St Clements Primary</li> <li>Simms Cross Primary</li> </ul>
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Q3. If we continue with the current funding formula, do we EXCLUDE the LAC factor?

<p>Yes</p> <ul style="list-style-type: none"> <li>Runcorn All Saints Primary</li> <li>Saints Peter &amp; Paul High</li> <li>Victoria Road Primary</li> <li>All Saints Upton Primary</li> <li>Daresbury Primary</li> <li>St Bedes Infants</li> <li>St Michaels Primary</li> <li>Windmill Hill Primary</li> <li>St John Fisher Primary</li> <li>Hale Primary</li> <li>St Edwards Primary</li> <li>St Clements Primary</li> <li>Simms Cross Primary</li> </ul>	<p>No</p> <ul style="list-style-type: none"> <li>OLPS Primary</li> <li>Halton Lodge Primary</li> <li>St Gerards Primary</li> <li>The Holy Spirit Primary</li> <li>Woodside Primary</li> <li>Pewithall Primary</li> <li>St Basils Primary</li> <li>Ditton Primary</li> <li>Halebank Primary</li> <li>Moore Primary</li> <li>Hallwood Park Primary</li> </ul>
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Q4. If we continue with the LAC factor, do we take the funding from the Basic Per Pupil factor?

<p>Yes</p> <ul style="list-style-type: none"> <li>OLPS Primary</li> <li>The Holy Spirit Primary</li> <li>Pewithall Primary</li> <li>St Bedes Juniors</li> <li>Ditton Primary</li> <li>Halebank Primary</li> </ul>	<p>No</p> <ul style="list-style-type: none"> <li>Halton Lodge Primary</li> <li>St Gerards Primary</li> <li>Hallwood Park Primary</li> </ul>
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If no, which factor should be used  
Only one response – “LPA or deprivation”

Q5. Do we move to an interim funding formula for 2018-19?

<p>Yes</p> <ul style="list-style-type: none"> <li>Runcorn All Saints Primary</li> <li>St Gerards Primary</li> <li>The Holy Spirit Primary</li> <li>Woodside Primary</li> <li>St Bedes Juniors</li> <li>Hale Primary</li> <li>Moore Primary</li> <li>St Edwards Primary</li> <li>Simms Cross Primary</li> </ul>	<p>No</p> <ul style="list-style-type: none"> <li>Hill View Primary</li> <li>Saints Peter &amp; Paul High</li> <li>OLPS Primary</li> <li>Halton Lodge Primary</li> <li>Victoria Road Primary</li> <li>Pewithall Primary</li> <li>All Saints Upton Primary</li> <li>St Bedes Infants</li> <li>Daresbury Primary</li> <li>St Basils Primary</li> <li>St Michaels Primary</li> <li>Ditton Primary</li> <li>Halebank Primary</li> <li>Windmill Hill Primary</li> <li>St John Fisher Primary</li> <li>Hallwood Park Primary</li> <li>St Clements Primary</li> </ul>
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Q6-Q10. For an interim funding formula which factors should be used?

## Q6. Deprivation

All	Current	FSM6 only	IDACI only
Runcorn All Saints	Halton Lodge	Farnworth	St Marys
St Gerards	All Saints Upton		
Victoria Road	St Bedes Inf		
The Holy Spirit	St Michaels		
Woodside			
Pewithall			
St Bedes Jnrs			
St Basils			
Hale			
Moore			
St Edwards			
Simms Cross			

## Q7.Prior Attainment

Yes	No
Runcorn All Saints Primary	OLPS Primary
Hill View Primary	St Bedes Juniors
Halton Lodge Primary	St Basils Primary
St Gerards Primary	Farnworth Primary
The Holy Spirit Primary	
Woodside Primary	
Pewithall Primary	
All Saints Upton Primary	
St Bedes Infants	
St Michaels Primary	
Windmill Hill Primary	
St John Fisher Primary	
Hale Primary	
Moore Primary	
St Edwards Primary	
Simms Cross Primary	

## Q8. EAL factor

Yes	No
Runcorn All Saints Primary	Hill View Primary
Halton Lodge Primary	OLPS Primary
St Gerards Primary	Woodside Primary
The Holy Spirit Primary	All Saints Upton Primary
Pewithall Primary	St Bedes Juniors
St Bedes Infants	St Basils Primary
St Michaels Primary	Windmill Hill Primary
Moore Primary	St John Fisher Primary
St Edwards Primary	Hale Primary
Simms Cross Primary	Farnworth Primary

## Q9. Mobility factor

Yes	No
Halton Lodge Primary	Runcorn All Saints Primary
St Gerards Primary	Hill View Primary
Woodside Primary	OLPS Primary
Pewithall Primary	The Holy Spirit Primary
St Edwards Primary	All Saints Upton Primary
Simms Cross Primary	St Bedes Infants
	St Bedes Juniors

St Basils Primary  
 St Michaels Primary  
 Windmill Hill Primary  
 St John Fisher Primary  
 Hale Primary  
 Moore Primary  
 Farnworth Primary

Q10. Lump Sum factor

<p>Yes</p> <ul style="list-style-type: none"> <li>Runcorn All Saints Primary</li> <li>Halton Lodge Primary</li> <li>Woodside Primary</li> <li>All Saints Upton Primary</li> <li>St Bedes Infants</li> <li>St Bedes Juniors</li> <li>St Basils Primary</li> <li>Windmill Hill Primary</li> <li>St John Fisher Primary</li> <li>Hale Primary</li> <li>Moore Primary</li> <li>St Edwards Primary</li> <li>Farnworth Primary</li> <li>Simms Cross Primary</li> </ul>	<p>No</p> <ul style="list-style-type: none"> <li>Hill View Primary</li> <li>OLPS Primary</li> <li>St Gerards Primary</li> <li>The Holy Spirit Primary</li> <li>Pewithall Primary</li> <li>St Michaels Primary</li> </ul>
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Q11. Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee and any capping or scaling at the January meeting?

<p>Yes</p> <ul style="list-style-type: none"> <li>Runcorn All Saints Primary</li> <li>Hill View Primary</li> <li>Saints Peter &amp; Paul High</li> <li>OLPS Primary</li> <li>St Gerards Primary</li> <li>Victoria Road Primary</li> <li>The Holy Spirit Primary</li> <li>Woodside Primary</li> <li>Pewithall Primary</li> <li>All Saints Upton Primary</li> <li>St Bedes Infants</li> <li>St Bedes Juniors</li> <li>St Basils Primary</li> <li>St Michaels Primary</li> <li>Ditton Primary</li> <li>Halebank Primary</li> <li>St John Fisher Primary</li> <li>Hale Primary</li> <li>Moore Primary</li> <li>Hallwood Park Primary</li> <li>St Edwards Primary</li> <li>St Clements Primary</li> <li>Simms Cross Primary</li> </ul>	<p>No</p> <ul style="list-style-type: none"> <li>Halton Lodge Primary</li> <li>Daresbury Primary</li> <li>Windmill Hill Primary</li> </ul>
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